

Stipulated Award
NASD Dispute Resolution

In the Matter of the Arbitration Between:

Salvatore J. Pistilli and Jean A. Pistilli, JTWROS (Claimants) v. Merrill Lynch, Pierce, Fenner & Smith, Inc., and Carla Bond (Respondents)

Case Number: 04-03359

Hearing Site: Newark, New Jersey

Nature of the Dispute: Customers v. Member and Associated Person

REPRESENTATION OF PARTIES

Claimants Salvatore J. Pistilli ("S. Pistilli") and Jean A. Pistilli ("J. Pistilli"), JTWROS hereinafter collectively referred to as "Claimants": Mitchell H. Cobert, Esq., Attorney at Law, Morristown, NJ.

Respondents Merrill Lynch, Pierce, Fenner & Smith, Inc. ("Merrill Lynch") and Carla Bond ("Bond") hereinafter collectively referred to as "Respondents": Frank J. Cuccio, Esq., Bressler, Amery & Ross, P.C., New York, NY. Previously represented by Michelle I. Bougdanos, Esq., Bressler, Amery & Ross, P.C., New York, NY.

CASE INFORMATION

Statement of Claim filed on or about: May 6, 2004.

Claimants signed the Uniform Submission Agreement: April 27, 2004.

Joint Statement of Answer filed by Respondents on or about: August 3, 2004.

Merrill Lynch signed the Uniform Submission Agreement: September 24, 2004.

Bond signed the Uniform Submission Agreement: July 29, 2004.

CASE SUMMARY

Claimants asserted the following causes of action: breach of contract, breach of fiduciary duty, failure to supervise, suitability, inappropriate trading, violation of securities laws and negligence. The causes of action relate to common stock, mutual funds, and junk bonds.

Unless specifically admitted in their Answer, Respondents denied the allegations of wrongdoing set forth in the Statement of Claim and asserted various defenses.

RELIEF REQUESTED

Claimants requested compensatory damages in the amount of \$200,000.00, interest at the rate of 9% per annum, attorneys' fees, costs and such other relief deemed appropriate.

Respondents requested dismissal of the Statement of Claim in its entirety, costs and other further relief deemed just and proper, and expungement of Bond's Central Registration Depository ("CRD") records.

OTHER ISSUES CONSIDERED AND DECIDED

On or about June 13, 2005, the parties notified NASD Dispute Resolution that they settled this case and would submit a Stipulated Award for the Panel's signature.

The parties agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

The parties entered into an agreement to present to the Panel a Stipulated Award. Now, in lieu of a hearing and upon motion of both parties for an entry of an award, the written stipulation thereto, the Panel grants the motion and enters this award granting the following relief:

1. Claimants' claims are dismissed in their entirety.
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Carla Bond's registration records maintained by the Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 04-16, Respondent Carla Bond must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by the NASD, parties seeking judicial confirmation of an arbitration award containing expungement relief must name NASD as an additional party and serve NASD with all appropriate documents.

Pursuant to Rule 2130, the arbitration panel has made the following affirmative findings of fact:

The claim, allegation, or information is factually impossible or clearly erroneous.

The registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds.

3. Any and all relief not specifically addressed herein is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution, Inc. will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$ 300.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated persons at the time of the events giving rise to the dispute. In this matter, the member firm Merrill Lynch, Pierce, Fenner & Smith, Inc., is a party.

Member Surcharge = \$ 1,700.00
Pre-Hearing Process Fee = \$ 750.00
Hearing Process Fee = \$ 2,750.00

Three-Day Cancellation Fees

Fees apply when a hearing on the merits is postponed or settled within three business days before the start of a scheduled hearing session.

June 14 – 17, 2005, settled by parties = \$300.00
Claimants' share = \$100.00
Respondent Merrill Lynch's share = \$100.00
Respondent Bond's share = \$100.00

Forum Fees and Assessments

The Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Forum fees associated with these proceedings are:

Three (3) Pre-hearing conference sessions with the Panel @ \$1,125.00/session = \$ 3,375.00
Pre-hearing conferences: November 2, 2004 1 session
March 4, 2005 1 session
March 28, 2006 1 session

Total Forum Fees = \$ 3,375.00

1. The parties have agreed that Claimants shall pay \$750.00 of the forum fees.
2. The parties have agreed that Respondent Merrill Lynch shall pay \$750.00 of the forum fees.
3. The parties have agreed that Respondent Bond shall pay \$750.00 of the forum fees.
4. The Panel has assessed \$1,125.00 of the forum fees for the pre-hearing conference held on March 28, 2006 to Respondent Merrill Lynch.

SEE SUMMARY

1. Claimants are solely liable for:

Initial Filing Fee	= \$	300.00
Three-Day Cancellation Fee	= \$	100.00
Forum Fees	= \$	1,125.00
Total Fees	= \$	1,525.00
Less payments	= \$	1,425.00
Balance Due NASD Dispute Resolution	= \$	100.00

Pursuant to Rule 10332(f) of the Code of Arbitration Procedure, NASD Dispute Resolution is retaining the total amount of the hearing session deposited by the Claimants because this office was notified by the parties that they settled within eight business days for the first scheduled hearing session.

2. Respondent Merrill Lynch is solely liable for:

Member Fees	= \$	5,200.00
Three Day Cancellation Fee	= \$	100.00
Forum Fees	= \$	1,875.00
Total Fees	= \$	7,175.00
Less payments	= \$	5,200.00
Balance Due NASD Dispute Resolution	= \$	1,975.00

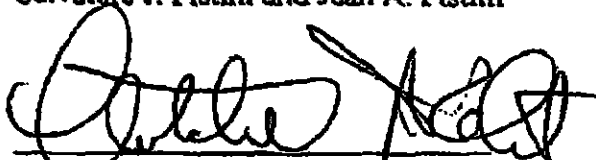
3. Respondents Bond is solely liable for:

Forum Fees	= \$	750.00
Three-Day Cancellation Fee	= \$	100.00
Total Fees	= \$	850.00
Less payments	= \$	0.00
Balance Due NASD Dispute Resolution, Inc.	= \$	850.00

All balances are payable to NASD Dispute Resolution and are due upon receipt pursuant to Rule 10330(g) of the Code.

Parties' Signatures

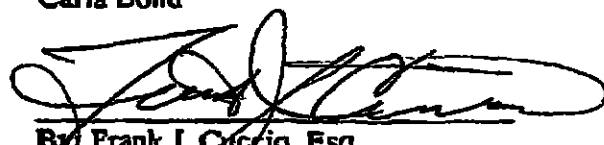
Mitchell H. Cobert, Esq.
Attorneys for Claimants
Salvatore J. Pistilli and Jean A. Pistilli



Mitchell H. Cobert, Esq.

July 16, 2005
Signature Date

BRESSLER, AMERY & ROSS, P.C.
Attorneys for Respondents Merrill Lynch and
Carla Bond



By: Frank J. Cuccio, Esq.

July 17, 2005
Signature Date


ARBITRATION PANEL

Thomas Handford Bach, Esq.
Saverio J. Cina
Michael T. Baranowsky

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-
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Public Arbitrator, Presiding Chair
Public Arbitrator
Non-Public Arbitrator

Concurring Arbitrators' Signatures


Saverio J. Cina
Public Arbitrator

4/27/06
Signature Date

Michael T. Baranowsky
Non-Public Arbitrator

Signature Date

Dissenting Arbitrator's Signature

Thomas Handford Bach, Esq.
Public Arbitrator, Presiding Chair

Signature Date

May 10, 2006

Date of Service (For NASD Dispute Resolution use only)


ARBITRATION PANEL

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Saverio J. Cina	-	Public Arbitrator
Michael T. Baranowsky	-	Non-Public Arbitrator

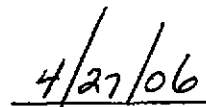
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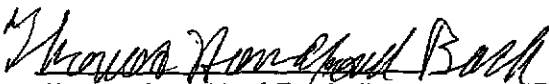
Saverio J. Cina
Public Arbitrator

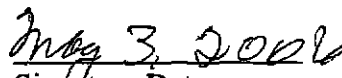
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